

EXHIBIT Y

PROMISSORY NOTE

May 29, 2009

USD 450,000,000

1. **Promise to Pay.** FOR VALUE RECEIVED, the undersigned, **General Motors of Canada Limited** (the "**Borrower**"), hereby unconditionally promises to pay to the order of **General Motors Corporation** (the "**Lender**") and its successors or assigns, the principal amount of **Four Hundred and Fifty Million United States Dollars (USD 450,000,000)** (the "**Principal Amount**"), together with interest on the unpaid principal amount of this Note outstanding from the time, and in the manner provided herein and in accordance with the terms and conditions set forth in the trust agreement dated May 29, 2009 between the Borrower and the Lender (the "**Trust Agreement**").

2. **Use of funds:** The Borrower covenants that the Principal Amount shall be held in trust on the terms and conditions set forth in the Trust Agreement.

3. **Prepayment of the Principal Amount.** The Borrower shall be entitled to prepay all or any portion of the Principal Amount outstanding and any accrued and unpaid interest pursuant to this Note without notice, bonus or penalty.

4. **Interest.** The Borrower shall pay to the Lender interest on the Principal Amount outstanding from and after June 15, 2009 until the Note is repaid in full to the Lender, both before and after demand, default and judgment (except to the extent waived by the Lender) at a rate of **5.00% per annum** (which amount is three hundred basis points (3.00%) above LIBOR, where LIBOR means the greater of (a) 2.00% and (b) the rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for Eurodollar deposits for a period equal to three months appearing on Reuters Screen LIBOR01 Page at 11:00 a.m. on May 28, 2009, the "**Interest Rate**"). Interest shall be calculated and accrue daily on the outstanding Principal Amount and when not in default shall be payable in arrears on January 15 and July 15 of each year, with the first interest payment due and payable on January 15, 2010 and after default shall be payable on demand. Interest will be calculated on the basis of a year of 365 days (or 366 days as the case may be) for the actual number of days elapsed.

Any principal and interest not paid when due (whether at scheduled maturity, by reason of acceleration, or otherwise) will bear interest from and including the date due but excluding the date paid in full at a yield per annum equal to the Interest Rate plus a per annum amount of 1%, such interest to be payable on demand and on any repayment of principal.

Notwithstanding anything to the contrary contained in this Note, in no event may the total of all interest or other charges payable under this Note that are or could be held to be in the nature of interest exceed the maximum rate permitted to be charged under applicable law. Should the Lender receive any payment that is or would be in excess of that permitted to be charged under such applicable law, then such payment will be deemed to have been made in error and shall automatically be applied to reduce the principal sum outstanding under this Note.

5. **Maturity.** The Principal Amount outstanding and accrued and unpaid interest are due and payable on **May 29, 2012** or otherwise in accordance with the terms of the Trust Agreement, unless the Borrower and Lender agree in writing to extend the Note beyond that date.

If any payment under this Note is due on a day that is not a Business Day, such payment shall be due on the next succeeding Business Day. As used in this Note, "**Business Day**" means a day other than a Saturday or a Sunday that is not a day on which banks and foreign exchange markets in New York City or Toronto are generally authorized or obligated by law or executive order to close.

General Motors Corporation
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6. **Payments.** Unless otherwise directed by the Lender, all interest and principal payments under this Note will be made in the currency of the United States of America and in immediately available funds, to and for the account of the Lender:

JP Morgan Chase
ABA#: 021-000-021
Acct. #: 910-200-2095
Account Name: General Motors Corporation
Swift Code: CHASUS33

7. **Representations.** The Borrower represents and warrants that (i) it has full authority to execute and perform this Note, (ii) this Note constitutes, when executed and delivered in accordance with the terms hereof, legal, valid, and binding obligations of the Borrower, and (iii) no contractual restriction against borrowings prevents the satisfactory performance of this Note by the Borrower.

8. **Events of Default.** If any of the following events of default occur and are continuing:

- (a) the Borrower fails to make payment when due of the principal of or interest on the Note and such failure continues unremedied for more than ten (10) days after written notice thereof has been given to the Borrower by the Lender;
- (b) the Borrower fails to perform or observe any other agreement or covenant herein and such failure continues unremedied for more than fifteen (15) days after written notice thereof has been given to the Borrower by the Lender;
- (c) any representation or warranty made by the Borrower in this Note proves to have been incorrect in any material respect when made; or
- (d) the Borrower becomes insolvent (however such insolvency may be evidenced) or proceedings are instituted by or against the Borrower under any bankruptcy, reorganization or insolvency law or other law for the relief of debtors

THEN, in any such case the Lender may, by written notice to the Borrower, terminate this Note and may, by written notice to the Borrower, declare all amounts due under the Note to be due and payable, together with accrued interest, whereupon, the Note will become immediately due and payable without demand, presentment, protest, notice of dishonor or any other notice or demand whatsoever. The remedies set forth herein are not exclusive. In addition, the Lender has all other rights and remedies to which it is entitled under applicable law.

9. **Expenses.** The Borrower shall reimburse the Lender on demand for all reasonable costs, expenses, and charges in connection with the performance or enforcement of this Note.

10. **Waiver by the Borrower.** The Borrower waives presentment, notice of dishonor, notice of protest, and any other notice or formality with respect to this Note.

11. **No Waiver by the Lender.** Neither the extension of time for making any payment which is due and payable under this Note at any time or times, nor the failure, delay, or omission of the Lender to exercise or enforce any of its rights or remedies under this Note, shall constitute a waiver by the Lender of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Lender's further exercise of such right or remedy or any other right or remedy.

12. **Jurisdiction.** The Borrower consents to the non-exclusive jurisdiction and the venue of the state or federal courts located in the State of New York, City of New York, Southern District.

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Service of process by the Lender in connection with any dispute will be binding on the Borrower if sent to the Borrower by registered mail at the address specified below.

13. **Governing Law.** This Note will be governed by and constructed in accordance with the laws of the State of New York, USA, without regard to the principles relating to conflicts of laws.

14. **Notices**

Address for Lender notices: General Motors Corporation
767 Fifth Avenue
New York, NY 10153
Attention: Treasury Operations Group

Address for Borrower notices: General Motors of Canada Limited
1908 Colonel Sam Drive
Oshawa, Ontario L1H 8P7
Mail Code: CA1-015-001
Attention: Vice President of Finance

15. **Amendment.** No amendment, supplement, modification, waiver, or termination of this Note and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound.

General Motors Corporation
General Motors of Canada Limited
Promissory Note dated May 29, 2009

GENERAL MOTORS OF CANADA LIMITED:



Name: John S. [illegible]
Title: CFO, Finance, General Motors, Canada
For and on behalf of the Borrower.

THIS AGREEMENT is made as of May 29, 2009

BETWEEN:

GENERAL MOTORS CORPORATION, a corporation incorporated under the laws of Delaware,

("GMC")

- and -

GENERAL MOTORS OF CANADA LIMITED, a corporation incorporated under the laws of Canada,

("GMCL")

RECITALS:

- A. GMCL entered into separate loan agreements with General Motors Nova Scotia Finance Company ("**GM Nova Scotia**") each dated as of July 10, 2003 and pursuant to which GMCL borrowed from GM Nova Scotia the sum of five hundred fifty-five million, eight hundred sixty thousand Canadian dollars (C\$555,860,000), and the sum of seven hundred seventy-eight million, two hundred forty thousand Canadian dollars (C\$778,204,000) (collectively, the "**Loan Agreements**").
- B. GM Nova Scotia obtained the amounts loaned to GMCL under the Loan Agreements pursuant to a sale of its 8.375% notes due December 7, 2015 and 8.875% notes due July 10, 2023 (together, the "**Notes**") to certain noteholders (the "**Noteholders**") in exchange for six hundred million British pounds (£600,000,000), and subsequent currency swap transactions with GMC.
- C. GM Nova Scotia intends, in accordance with the terms of the fiscal and paying agency agreement, dated as of July 10, 2003 (the "**Fiscal and Paying Agency Agreement**") among the GM Nova Scotia, GMC, as guarantor, Deutsche Bank Luxembourg S.A., as fiscal agent, and Banque Générale du Luxembourg S.A. governing each series of Notes, to convene a meeting (the "**Meeting**") of holders of the Notes for the purpose of passing an extraordinary resolution (the "**Extraordinary Resolution**") to amend the Fiscal and Paying Agency Agreement and the global securities representing the Notes to provide that such Notes will become mandatorily exchangeable into cash (the "**Proposed Amendment**").
- D. GMC is desirous of providing a loan to GMCL for the sole purpose of settlement and extinguishment of all amounts owing under the Loan Agreements to GM Nova Scotia on the terms and conditions herein, the proceeds of which GM Nova Scotia shall use for the sole purpose of funding the Proposed Amendment.

THEREFORE the Parties agree as follows:

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1. **Creation of Trust** – GMC shall lend four hundred and fifty million US dollars (\$450 million) (the “**Proceeds**”) to GMCL on May 29, 2009 pursuant to the promissory note dated May 29, 2009 between GMC and GMCL (the “**Promissory Note**”), by way of wire transfer. GMCL shall hold the same in trust, separate and apart from all other GMCL funds, until the first Business Day after the date of the meeting (or any adjourned meeting) at which the Extraordinary Resolution is voted upon in accordance with the terms hereof (the “**Proposed Amendment Deadline**”). Notwithstanding any other provision of this Agreement, the parties agree that GMCL may exchange the Proceeds for British pounds and hold such funds in trust pursuant to the terms hereof.

As used in this Agreement, “**Business Day**” means a day other than a Saturday or a Sunday that is not a day on which banks and foreign exchange markets in New York City or Toronto are generally authorized or obligated by law or executive order to close.

2. **Release from Trust and Use of Proceeds** – In the event that:
 - (a) Noteholders holding or representing in the aggregate not less than two thirds of the principal amount of each series of the Notes outstanding sign and deliver a lock up agreement with GM Nova Scotia in the form attached (the “**Lock Up Agreement**”) on or before 11:30 p.m. EST May 31, 2009, in connection with the Proposed Amendment (a “**Successful Lock Up**”) and all such Noteholders sign and deliver to GM Nova Scotia the release referred to in the Lock Up Agreement on or before the Proposed Amendment Deadline (the “**Noteholders Release Delivery**”), and
 - (b) there is a meeting of each class of Noteholders on or before the Proposed Amendment Deadline at which meeting each class of Noteholders votes in favour of the Proposed Amendment (a “**Successful Vote**”),

GMCL shall be entitled to release the Proceeds from trust upon the Business Day immediately after the date of the Successful Vote only to GM Nova Scotia and only in exchange for a full and final release from GM Nova Scotia. Such release shall include all amounts owing under the Loan Agreements by GMCL to GM Nova Scotia, including principal, accrued and unpaid interest thereon, Breakage Costs (as defined in the Loan Agreements), any additional amounts as may be owing pursuant to the Loan Agreements and any other claims whatsoever. For greater certainty, GMCL shall not be entitled to use the Proceeds, or any portion thereof, for general corporate or any other purposes except to repay GMCL’s indebtedness to GMC under the Promissory Note. Any interest earned on the Proceeds shall accrue to the benefit of GMCL.

3. **Return of Proceeds** –
 - (a) If the Promissory Note represents Proceeds in excess of the amount required by GMCL to repay the Loan Agreement (the “**Excess Amount**”), then immediately after GMCL makes such determination, GMCL shall repay the Promissory Note, to the extent of such Excess Amount, in accordance with the terms of the Promissory Note.

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- (b) In the event that there is not a Successful Lock Up, Noteholders Release Delivery, and a Successful Vote by the Proposed Amendment Deadline, GMCL shall repay the Promissory Note with the Proceeds and any accrued and unpaid interest payable thereon.

4. **Miscellaneous**

- (a) Time is of the essence in the performance of the Parties' respective obligations.
- (b) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable in Ontario.
- (c) This Agreement ensures to the benefit of and is binding upon the Parties and their successors and assigns. Neither Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of the other Party.
- (d) No amendment, supplement, modification, waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound.
- (e) No Party may assign this Agreement or any rights or obligations under this Agreement without the prior written consent of each of the other Parties.

5. **Execution and Delivery** – This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by facsimile or PDF signature which, for all purposes, shall be deemed an original signature.

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IN WITNESS OF WHICH the Parties have duly executed this Agreement.

GENERAL MOTORS CORPORATION

**GENERAL MOTORS OF CANADA
LIMITED**

By:



Name:

Title:

By:

Name:

Title:

IN WITNESS OF WHICH the Parties have duly executed this Agreement.

GENERAL MOTORS CORPORATION

**GENERAL MOTORS OF CANADA
LIMITED**

By:

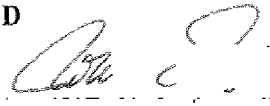
Name:

Title:

By:

Name

Title:


Name: John J. ...
Title: VP / ...